Baker Tilly Project Team Qualifications for the

South Carolina Office of the State Auditor

February 19, 2018

BAKER TILLY

Candor. Insight. Results.

an independent member of BAKER TILLY INTERNATIONAL

BAKER TILLY

February 19, 2018

Ms. Sue Moss, Director of State Audits
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Ms. Moss:

We would like to thank you and your team for the discussions this week regarding our assistance to your office with Docket No. 2017-305-E concerning South Carolina Electric Gas Company. We are excited to begin work on the project and look forward to serving you.

This document outlines the project team we have assembled for this project. With an Energy and Utilities Group of 65 professionals, Baker Tilly has deep resources in a variety of disciplines suited exactly for these services. Our experience in the electric industry and in serving State Commissions with analysis and expert testimony will be a solid foundation in meeting your needs.

In recent years, our team has provided analysis services or given expert witness testimony before these state public utility commissions and governing bodies:

California Public Utilities Commission	Florida Legislature
Public Utilities Commission of Ohio	New Mexico Public Service Commission
New York Public Service Commission	South Carolina Public Service Commission
Wisconsin Public Service Commission	

In addition, our team has assisted utilities in all aspects of their accounting and provided litigation support services in the areas of allocating costs and analyzing the application of accounting standards for impaired assets.

The experience of our professionals in the electric industry makes them uniquely qualified to provide the Office of the State Auditor with the requested services and to provide reports and testimony that will be direct and comprehensive to use by the Commission in developing their decisions and orders in this matter.

If you have any questions or would like more information, please do not hesitate to contact me at 608 240 2394 or Thomas.Unke@bakertilly.com . I look forward to the opportunity to finalize an agreement and begin work on the project. Thank you!

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Thomas E. Unke

Thomas Unke, CPA, Partner

The Baker Tilly team members that will serve the Office of the State Auditor include the following professionals:

Tom Unke, CPA Partner-in-charge	Tom is the team leader for the energy and utilities team and has 20 years of experience serving the financial and operational needs of the utility industry. Tom's specific focus areas include audit and accounting, financial due diligence, strategic planning, renewable energy development, litigation support and joint-costing analyses. Tom will ensure your satisfaction with our services and provide guidance, oversight and insights to the project team.
Russ Hissom, CPA, CIA, CISA, CRMA Partner	Russ Hissom, a partner on the energy and utilities team has more than 30 years of experience in providing accounting and enterprise risk advisory services, financial and compliance audits and expert witness analysis and testimony in litigation support and state filings. Russ will research the proper application of accounting standards in this specific case and develop accounting positions that will be used in preparing our report. He will also prepare testimony and serve as an expert witness in the regulatory proceedings.
Chad Resner, CPA Director	Chad is a firm director with nearly 20 years of tax experience of regional and international firms. Additionally he was the tax director for a publicly traded company engaged in the renewal energy business. Chad is our subject matter expert in utility tax matters. He will develop tax positions that will be used in preparing our report and will prepare testimony.
James Smolinski, CPA Partner	Jim is a partner who leads our firm's assurance technical standards practice. He is responsible for assisting teams in interpreting the application of accounting standards. He will provide this guidance in our analysis of the SCE&G situation and in preparing our report and testimony.
Brian Kim, CRRA Consulting Manager	Brian has been on the energy and utilities team for four years. Prior to Baker Tilly, he worked for a national consulting firm providing utility customer strategy and regulatory compliance services to investor owned utilities and public utility commissions. He will provide services in analyzing data and developing modeling scenarios based on the Commission's order.

Vijay Betanabhatla, MBA Senior Consultant	Vijay's experience in the electric industry includes working extensively on various aspects of power generation, transmission, distribution, energy finance, electricity markets, grid management, NERC compliance, wholesale power services and renewable energy integration in various energy markets. He will provide services in analyzing data and developing modeling scenarios based on the Commission's order.

Appendix: Resumes

Thomas E. Unke, CPA
Partner

608 240 2394
thomas.unke@bakertilly.com

Tom Unke, partner, team leader for the energy and utilities team, has been with Baker Tilly since 1991. He specializes in serving the financial and operational needs of the utility industry. Specific focus areas include renewable energy development, financial due diligence, litigation support, audit and accounting, strategic planning and joint-costing analyses.

Specific experience

- Performs financial and compliance audits
- Experienced in working with large utility clients that utilize commodity contracts to manage power supply costs – partner in charge of testing of internal controls and processes in this area
- Involved with emerging market issues relative to contract or litigation support
- Involved with the electric energy markets including MISO, NYISO, ERCOT and others
- Develops cost sharing methodologies for cities, townships and villages in order to price joint services including wastewater treatment and water distribution services
- Develops cost-of-service models and rate design concepts used to attract and retain large industrial customers and send proper price signals necessary to enhance the customer's effectiveness and efficiency
- Prepares econometric forecasts of sales, revenues, expenses, and other operational components necessary to predict the timing of rate adjustments, project financing and cash flow
- Completes financial evaluations to determine effect upon utility and city earnings, cash flow and levy needed when assessing options to construct, retire, replace or abandon utility infrastructure
- Develops activity-based models used to price utility services including marginal, embedded, incremental and fully-loaded recovery of cost pricing strategies
- Facilitates focus group discussions regarding strategic and operational initiatives including new business ventures and process change or development
- Provides expert testimony before state regulatory agencies on electric, water and wastewater utility revenue requirements; cost of service; and rate design issues

Industry involvement

- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants

Industry involvement (cont.)

- American Public Power Association
- Various state utility organizations
- Frequent speaker both regionally and nationally on pricing of utility services, financial planning for utilities, creative and innovative financial reporting tools, rate unbundling, budgeting and various accounting topics
- Authors various articles on topics related to the utility industry

Education

University of Wisconsin–Eau Claire
Bachelor of Business Administration in Accounting and Business Finance

Russell A. Hissom, CPA, CIA, CISA, CRMA
Partner

608 240 2361
russ.hissom@bakertilly.com

Russell Hissom, partner at Baker Tilly Virchow Krause, LLP, has been with the firm since 1983. He has extensive experience in enterprise risk advisory and internal audit services, financial and compliance audits, implementation of accounting standards, litigation support and expert witness testimony, management audits, business process and controls reviews, scorecard and metrics reporting, construction cost reviews and operational reviews. Russ also provides internal audit, risk assessment and accounting training for utilities.

Specific experience

- Provides financial audit services to utilities
- Provides internal audit and enterprise risk advisory services
- Provides litigation support and expert witness testimony in accounting, compliance and rate proceedings to Public Service Commissions and state government (including California, Florida, New Mexico, New York, Ohio, South Carolina and Wisconsin)
- Assists utilities in regulatory filings before FERC
- Provides litigation support services in disputes involving the application of accounting standards and allocation of costs by utilities
- Performs management audits that analyze key business processes of utility operations to determine and recommend greater efficiencies
- Leads benchmarking analyses, overhead cost allocation studies and financial performance projects
- Develops internal control reviews under the COSO internal control framework
- Performs specialized training for utilities in the areas of accounting standards implementation, enterprise risk management programs, construction accounting, and establishing internal audit programs

Industry involvement

- American Institute of Certified Public Accountants (AICPA)
- American Public Power Association (APPA)
- Institute of Internal Auditors
- ISACA (formerly Information Systems Audit and Control Association)
- Other national and state public sector and utility organizations

Education

University of Wisconsin – Milwaukee
Bachelor of Business Administration in Accounting

Chad Resner, CPA, JD
Firm Director

608 240 6727
chad.resner@bakertilly.com

Chad Resner, firm director with the construction and real estate team at Baker Tilly Virchow Krause, LLP, joined the firm in 2016. Prior to joining Baker Tilly, Chad spent 17 years working in the tax departments of regional and international firms. Chad spent nine of those years working in the Washington national tax offices of international accounting firms. Additionally, he worked as the tax director for a publicly traded company engaged in the renewable energy business.

Specific experience

- Public accounting experience providing tax services to clients in the construction and real estate industry
- Preparing and reviewing federal and state tax returns
- Well-versed in tax research and drafting of memorandum outlining conclusions for various tax issues
- Responsible for tax planning, identifying expected tax results and analyzing options
- Experienced in analyzing and reporting section 1031 like-kind exchanges

Industry involvement

- American Institute of Certified Public Accountants

Thought leadership

- Speaker at tax conferences, frequently speaking on the topics of federal partnership taxation and section 1031 like-kind exchanges
- Authored articles for internal accounting firm publication and external publication in the areas of federal partnership taxation and section 1031 like-kind exchanges

Education

Ball State University - Muncie, Indiana
Bachelor of Science in accounting

James A. Smolinski, CPA
Partner

608 240 2491
james.smolinski@bakertilly.com

Jim Smolinski, a Partner with Baker Tilly Virchow Krause, LLP, has been with the firm since 2004. Jim has been serving insurance companies, including property and casualty, life, accident, and health entities, for more than fifteen years. Jim is the leader of the Firm's Assurance Operations Group that is charged with monitoring the firm's quality control system, implementing professional standards, training and developing professional staff, and overseeing the external monitoring process including the firm's peer review and PCAOB inspections. Jim also participates in peer reviews provided to firms throughout the United States and is currently on the Wisconsin Institute of Certified Public Accountants Peer Review Committee.

Specific experience

> Insurance company audit experience, including property and casualty, life, accident, and health entities.

> Employee benefit plan audit experience including defined contribution plans, defined benefit plans, health and welfare plans and 11-Ks.

> Peer review engagements performed by Baker Tilly Virchow Krause.

Industry involvement

> American Institute of Certified Public Accountants

> Baker Tilly North American Accounting & Auditing Committee

> Wisconsin Institute of Certified Public Accountants

> Wisconsin Institute of Certified Public Accountants Peer Review Committee

Education

University of Wisconsin - Whitewater
Bachelor of Business Administration in Accounting

Brian Kim, CRRA
Consulting Manager

312 729 8068
brian.kim@bakertilly.com

Brian Kim, consulting manager with the energy and utilities team, joined Baker Tilly Virchow Krause, LLP in 2013. Prior to Baker Tilly, he worked for a national consulting firm providing utility customer strategy and regulatory compliance services to investor owned utilities and public utility commissions. Brian is a Certified Rate of Return Analyst with a deep understanding of the mechanics of cost of capital and rate of return analysis.

Specific experience

- Provides advisory services to electric, gas and water utilities, public utility commissions and other energy and power entities
- Conducts cost of service analyses, rate studies and financial forecasts for municipalities and public utilities providing electricity, natural gas, water, wastewater and sewage services to consumers
  - Studies include updates to connection charges for new utility accounts, indirect administrative and general overhead cost allocations and rate design structures to mitigate effects of water and energy conservation and efficiency programs
- Executes compliance audits and internal audits on behalf of public utility commissions and utilities in business areas such as affiliate transactions, power procurement, human resources, utility billing and finance
- Helps streamline work order business processes and identifies system improvements in organizations various IT systems, such as Oracle Utilities Work and Asset Management
- Performs enterprise resource planning (ERP) business needs assessments for governments and utilities. These efforts involve looking at the functionality analysis of the organization's financial management, human resources and payroll systems as well as managing the request for proposal/solicitation process for the selection of a new ERP system vendor
- Prior to joining Baker Tilly, delivered client services relating to customer care and billing, demand response, distributed generation, energy efficiency, general rate cases, revenue decoupling and other rate and regulatory compliance matters

Industry involvement

- American Public Power Association (APPA)
- Center for Research in Regulated Industries (CRRI)
- Edison Electric Institute
- Society of Utility Regulatory Financial Analysts (SURFA)

Brian Kim, page 2

Awards and recognition

- As a consultant for Navigant Consulting, Inc., worked on the team honored with DTE Energy's 2013 Most Innovative Supplier award

Thought leadership

- "Revenue decoupling mechanisms remove disincentives to pursue energy efficiency," bakertilly.com, 2017
- "Revenue decoupling approaches for electric distribution utilities," CCRI Western Conference, 2013

Education

University of California – Berkeley
Bachelor of Science in Civil and Environmental Engineering

Vijay Betanabhatla
Senior Consultant

512 975 7294
vijay.betanabhatla@bakertilly.com

Vijay Betanabhatla joined the energy and utilities team at Baker Tilly Virchow Krause, LLP as a senior consultant in 2016. He works closely with utilities, renewable energy developers, manufacturers and state, local and tribal governments to help meet their strategic, resource optimization and capital procurement needs.

Vijay has experience in the electric industry and has worked extensively on various aspects of power generation, transmission, distribution, energy finance, electricity markets, grid management, NERC compliance, wholesale power services and renewable energy integration.

Before joining Baker Tilly, Vijay worked at the Electric Reliability Council of Texas (ERCOT), an independent system operator, where he supported control room operations. He played a lead role in many prestigious ERCOT projects, including the $600 million Texas Nodal project.

Specific experience

- Provides support in technology due diligence, project feasibility analysis and financial modeling for public sector and private clients
- Engages in renewable energy project development activities on behalf of clients
- Identifies energy efficiency opportunities and estimates energy and cost savings for businesses
- Markets renewable energy output to end users through power purchase agreements and the use of renewable energy credits
- Provides project management support and feedback on smart grid and micro grid technology projects
- Oversees the interface between customer, supply chain and manufacturing for wind generation projects
- Prepares data analyses for project costs and energy pricing
- Works closely with Austin Technology Incubator (ATI) and CleanTX to help clean energy startups by providing inputs on business plans, corporate strategy, marketing and funding

Vijay Betanabhatla, page 2

Industry involvement

- ATI – Mentor
- CleanTX
- Gulf Coast Power Association – Planning committee member
- UT Energy Institute

Thought leadership

- "Current trends in clean energy technologies," University of Texas at Austin Electricity Conference, 2017
- "Distributed solar energy for commercial and industrial sectors," bakertilly.com, 2017
- "Renewable energy development and finance," University of Texas at Austin, 2016

Education

University of Texas at Arlington
Master of Science in Electrical Engineering

University of Texas at Austin
Master of Business Administration in Finance and Strategy

NERC system operator certification